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YOUNGO 粵港灣

GUANGDONG – HONG KONG GREATER BAY AREA HOLDINGS LIMITED

粵 港 灣 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1396)

EXCHANGE OFFER FOR THE 12.0% SENIOR NOTES DUE 2023 (ISIN: XS2485447838/COMMON CODE: 248544783) AND THE 13.85% SENIOR NOTES DUE 2023 (ISIN: XS2386427525/COMMON CODE: 238642752)

INTRODUCTION

On the date of this announcement, Guangdong – Hong Kong Greater Bay Area Holdings Limited, a company incorporated in the Cayman Islands with limited liability (the “**Company**”) commenced the exchange offer (the “**Exchange Offer**”) for (A) at least US\$67,500,000, or 90% of the outstanding principal amount of the 12.0% Senior Notes due 2023 (the “**May 2023 Notes**”) (the “**May 2023 Minimum Acceptance Amount**”); and (B) at least US\$273,258,000, or 90%, of the outstanding principal amount of the 13.85% Senior Notes due 2023 (the “**October 2023 Notes**” and, together with the May 2023 Notes, the “**Existing Notes**”) (the “**October 2023 Minimum Acceptance Amount**” and the references to “**Minimum Acceptance Amount**” are to the May 2023 Minimum Acceptance Amount or the October 2023 Minimum Acceptance Amount, as the case may be) upon the terms and subject to the conditions set forth in the exchange offer memorandum dated April 17, 2023 (the “**Exchange Offer Memorandum**”) relating to the Exchange Offer. The purpose of the Exchange Offer is to improve the Company’s financial condition, extend its debt maturity profile and improve its cash flow.

To facilitate the implementation of a restructuring of the Existing Notes, the Company may, in addition to the Exchange Offer, consider launching a scheme of arrangement in Hong Kong (and/or a scheme of arrangement in any other relevant jurisdiction at the sole discretion of the Company) (the “**Scheme**”) to effect a restructuring of the Existing Notes on terms similar to the Exchange Offer but open to all holders of the Existing Notes (including U.S. persons (as defined in Regulation S of the U.S. Securities Act of 1933, as amended (the “**Securities Act**”))), as contemplated in the term sheet attached to the form of the restructuring support agreement (the “**Restructuring Support Agreement**”) set forth in Appendix A to the Exchange Offer Memorandum.

Unless otherwise defined, capitalized terms in this announcement will have the same meaning as those defined in the Exchange Offer Memorandum.

BACKGROUND AND PURPOSE OF THE EXCHANGE OFFER

Since the second half of 2021, the whole Chinese real estate industry has been facing severe difficulties and challenges, coupled with repeated outbreaks of COVID-19. The Company has also been under enormous operating, financing and cash flow pressure. Against the backdrop of the adverse market conditions, the Company actively implemented various measures to improve its liquidity, including through accelerating sales and cash collection, reducing non-core and unessential operations and expenses and reducing the remuneration and benefits of the senior management team. Despite the efforts, the Company’s total contracted sales for the six months ended June 30, 2022 still decreased significantly by approximately 64.0% as compared to the same period in 2021, and asset disposals and collection of other receivables were difficult and slow in light of the adverse market condition. As a result, the Company experienced occurrence of certain defaults under certain of its offshore indebtedness. As of the date of this announcement, the Company has not made an interest payment due on October 12, 2022 under the October 2023 Notes and an interest payment due on November 23, 2022 under the May 2023 Notes. In order to ensure the delivery of properties and the operation and long-term development of the Company, as part of these efforts, the Company is conducting the Exchange Offer and is offering Eligible Holders an opportunity to exchange their Existing Notes for the New Notes with an extended maturity and terms designed to allow the Company to improve its financial condition and stability.

The Company believes that the Exchange Offer, if successfully completed, can improve its financial condition, extend its debt maturity profile and improve its cash flow. If the Exchange Offer is not successfully consummated, and the Company is unable to extend the maturities of the Existing Notes, the Company may have to consider alternative debt restructurings, including resorting to a scheme of arrangement to effect a restructuring of the Existing Notes pursuant to the terms of the Restructuring Support Agreement (the form of which is set forth in Appendix A to the Exchange Offer Memorandum).

THE EXCHANGE OFFER

The Exchange Offer for the Existing Notes commenced on April 17, 2023 and will expire at 4:00 p.m., London time, on April 25, 2023 (the “**Expiration Deadline**”), unless otherwise extended or earlier terminated by the Company. An appropriate announcement will be made if and when the applicable Expiration Deadline is extended or earlier terminated.

Subject to the terms and conditions set forth in the Exchange Offer Memorandum, the Company is offering to exchange at least the Minimum Acceptance Amount of each Series of the Company’s outstanding Existing Notes held by Eligible Holders for the Exchange Consideration (as defined below). Any tendering Eligible Holders must also execute and agree to be bound by the terms of the Restructuring Support Agreement.

Eligible Holders of the Existing Notes validly accepted and exchanged in the Exchange Offer will, from and including the Settlement Date, waive any and all rights with respect to the Existing Notes (other than the right to receive the relevant components of the applicable Exchange Consideration) and will release and discharge the Company from any and all claims such Eligible Holder may have, now or in the future, arising out of or related to such Existing Notes, including any and all accrued and unpaid interest thereon.

If you are an Eligible Holder holding the Existing Notes through Euroclear and Clearstream or through a fiduciary holding account and you wish to participate in the Exchange Offer, you must tender your Existing Notes pursuant to the procedures described herein by way of an electronic instruction, which must be submitted or delivered through the relevant Clearing System by each Eligible Holder of the Existing Notes who is shown in the records of such Clearing System as a holder of an interest in the Existing Notes, authorizing delivery of your tender to exchange the Existing Notes that are the subject of such electronic instruction (the “**Instruction**”).

A separate Instruction (which must include the name of the Consenting Creditor and must match the name of the Consenting Creditor in the form of Restructuring Support Agreement) needs to be submitted per each beneficial owner of the Existing Notes held through Euroclear and Clearstream. Only direct participants in Euroclear or Clearstream may submit Instructions. If you are not a direct participant in Euroclear or Clearstream, you must contact your broker, dealer, bank, custodian, trust company or other nominee to arrange for its direct participant through which you hold the Existing Notes to submit an Instruction on your behalf to the relevant Clearing System prior to the deadline specified by the relevant Clearing System.

Any tendering Eligible Holder must tender its entire holding of the relevant Series of the Existing Notes for exchange. The Company reserves its right not to accept any partial tender of Existing Notes by any Eligible Holders. Any Instructions must be given with respect to Existing Notes in a minimum principal amount of US\$200,000 and integral multiples of US\$1,000 in excess thereof. Each tendering Eligible Holder must also execute (in the case such Eligible Holder is a beneficial owner of the Existing Notes), or cause the beneficial owners on whose behalf such Eligible Holder is holding the Existing Notes to execute (in the case such Holder is not a beneficial owner for all of the Existing Notes it holds), the Restructuring Support Agreement (or an accession to the Restructuring Support Agreement pursuant to the terms thereof). Holders of the Existing Notes will need to visit the RSA Accession Portal (<https://deals.is.kroll.com/younggo-rsa>) for instructions on how to execute the Restructuring Support Agreement (or an accession to the Restructuring Support Agreement pursuant to the terms thereof).

Subject to the terms of the Exchange Offer Memorandum, an Eligible Holder who submits its instruction(s) in respect of the Exchange Offer only without executing the Restructuring Support Agreement (or an accession to the Restructuring Support Agreement pursuant to the terms thereof) is not entitled to any Exchange Consideration.

With respect to any Existing Notes tendered for exchange, the tender by its Holder will not be considered valid unless and until the beneficial owner of such Existing Notes has also validly executed the Restructuring Support Agreement (or an accession to the Restructuring Support Agreement pursuant to the terms thereof) and delivered it to the Information, Exchange and Tabulation Agent. Eligible Holders and beneficial owners may not execute the Restructuring Support Agreement only without tendering Existing Notes for exchange.

Instructions in connection with the Exchange Offer are irrevocable, except as otherwise described herein. Eligible Holders may not withdraw instructions at any time once delivered in accordance with the terms in the Exchange Offer Memorandum. Upon giving Instructions with respect to any Existing Notes, those Existing Notes will be blocked and may not be transferred until the earlier of (i) the Settlement Date and (ii) the Exchange Offer is modified or terminated so as to result in a cancellation of such Instructions.

Exchange Consideration and Instruction Fee

Upon the terms and subject to the conditions set forth in the Exchange Offer Memorandum, the Company is offering to exchange the May 2023 Minimum Acceptance Amount and the October 2023 Minimum Acceptance Amount held by Eligible Holders for the following Exchange Consideration, for each US\$1,000 principal amount of the Existing Notes:

Exchange Consideration of the outstanding May 2023 Notes:

- (A) US\$1,010 in aggregate principal amount of the New Notes; and
- (B) the Accrued Interest.

Exchange Consideration of the outstanding October 2023 Notes:

- (A) US\$1,000 in aggregate principal amount of the New Notes; and
- (B) the Accrued Interest.

Accrued and unpaid interest on the Existing Notes validly tendered and accepted for exchange, up to but not including the Settlement Date, if any, will be payable in kind by increasing the principal amount of the New Notes to be issued to Eligible Holders by the amount of such accrued and unpaid interest on the Existing Notes (the “**Accrued Interest**”) after the Settlement Date.

For the avoidance of doubt, no accrued and unpaid interest on the Existing Notes up to but not including the Settlement Date shall be paid in cash.

Where the Exchange Offer is not consummated and the Scheme is launched and consummated, subject to the terms of the Restructuring Support Agreement, a fee of 0.3% of the aggregate principal amount of an Eligible Restricted Note as of the Instruction Fee Deadline (as defined below) (the “**Instruction Fee**”) will be paid on the Restructuring Effective Date (or as soon as practicable thereafter) on Existing Notes tendered in the Exchange Offer and restricted in the Restructuring Support Agreement (such Scheme Creditor, as such term is defined in the Restructuring Support Agreement, must enter into the Restructuring Support Agreement (“**Consenting Creditor**”)) on or before 4:00 p.m., London time on April 25, 2023 (the “**Instruction Fee Deadline**”), unless extended in accordance with the terms of the Restructuring Support Agreement (such Existing Notes, “**Eligible Restricted Notes**”).

Application will be made to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing and quotation of the New Notes on the Official List of the SGX-ST. Under the rules of the SGX-ST, the New Notes if traded on the SGX-ST are required to be traded in a minimum board lot size of S\$200,000 (or its equivalent in foreign currencies). Accordingly, for so long as the New Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the New Notes if traded on the SGX-ST will be traded in a minimum board lot size of US\$20,000.

The New Notes and Interest Payment Dates

The New Notes will mature on the date falling on the last day of the 36th months after the Original Issue Date and bear an interest rate of 7.0% per annum.

From (and including) the Original Issue Date to (but excluding) the date falling on the 12th month anniversary from the Original Issue Date (the “**12th Month Anniversary Date**”), (A) 65% of the interest on the New Notes (rounded up to the nearest US\$1) shall be capitalized and added to the then current outstanding principal amount of the Notes semi-annually each year (each, a “**PIK Interest Payment Date**” and such capitalized interest, the “**PIK Interest**”), and (B) 35% of the interest on the New Notes (rounded up to the nearest US\$1) shall be payable in cash, in arrears semi-annually each year. From (and including) the 12th Month Anniversary Date to (but excluding) the Maturity Date, the interest on the New Notes shall be payable in cash, in arrears semi-annually each year.

Minimum Acceptance Amount

The minimum aggregate principal amount of the May 2023 Notes, being US\$67,500,000, or 90%, of the outstanding principal amount of the May 2023 Notes, for which valid tenders are received and that the Company will determine, in its sole discretion, whether it will accept for exchange pursuant to the Exchange Offer.

The minimum aggregate principal amount of the October 2023 Notes, being US\$273,258,000, or 90%, of the outstanding principal amount of the October 2023 Notes, for which valid tenders are received and that the Company will determine, in its sole discretion, whether it will accept for exchange pursuant to the Exchange Offer.

The Company reserves the right, in its sole discretion, to accept less than the Minimum Acceptance Amount of each Series of the Existing Notes, or to accept none of such Existing Notes, for exchange pursuant to the Exchange Offer.

Conditions to the Exchange Offer

The obligation to consummate the Exchange Offer is conditional upon the following:

- not less than the Minimum Acceptance Amount of each Series of the Existing Notes shall have been validly tendered and not validly withdrawn prior to the Expiration Deadline;
- there being no material adverse change in the market from the date of the Exchange Offer Memorandum to the Settlement Date;
- an affirmative determination by us that accepting the exchanges, paying the Exchange Consideration and effecting the transactions contemplated hereby are in our best interests; and
- the satisfaction of the other conditions described in “Description of the Exchange Offer – Conditions to the Exchange Offer” in the Exchange Offer Memorandum.

Subject to applicable law, the Company may terminate or withdraw the Exchange Offer if any of the conditions are not satisfied or waived by the Company by the Settlement Date. The Company may also extend the Exchange Offer from time to time until the conditions are satisfied or waived. Although the Company has no present plans or arrangements to do so, the Company reserves the right to amend, modify or waive, at any time, the terms and conditions of the Exchange Offer, including the Minimum Acceptance Amount, subject to applicable law. The Company will give you notice of any amendments, modifications or waivers as and if required by applicable law, and you will be entitled to withdraw instructions you have delivered if such amendments, modifications or waivers are material.

Summary Timetable

The following summarizes the anticipated timetable for the Exchange Offer and execution of the Restructuring Support Agreement.

Date	Event
April 17, 2023	Commencement of the Exchange Offer and announcement via the websites of the SGX-ST, the Stock Exchange and the Exchange Website and through Euroclear or Clearstream, as applicable.

The Exchange Offer will be made available to Eligible Holders of the Existing Notes on the Exchange Website. The Restructuring Support Agreement in the form set forth in Appendix A to this exchange offer memorandum will be made available to Eligible Holder of the Existing Notes on the RSA Accession Portal.

To facilitate the approval of the Scheme, each Eligible Holder tendering in the Exchange Offer must also execute (in the case such Eligible Holder is a beneficial owner of the Existing Notes), or cause the beneficial owners on whose behalf such Eligible Holder is holding the Existing Notes to execute (in the case such Eligible Holder is not a beneficial owner for all of the Existing Notes it holds), the Restructuring Support Agreement (or an accession to the Restructuring Support Agreement pursuant to the terms thereof).

Date

Event

Eligible Holders and beneficial owners may not execute the Restructuring Support Agreement only without tendering Existing Notes for exchange. In other words, an Eligible Holder of Existing Notes who wishes to participate in the Exchange Offer must (i) tender the Existing Notes it holds for exchange, and (ii) validly execute (or cause relevant beneficial owners to validly execute) the Restructuring Support Agreement (or an accession to the Restructuring Support Agreement pursuant to the terms thereof), each with respect to the entire holding of the relevant Series of the Existing Notes and in accordance with the terms, and subject to the conditions, of the Exchange Offer.

April 25, 2023 (4:00 p.m.,
London time)

Expiration Deadline. This being the last date and time on which Eligible Holders of the Existing Notes who validly tender Existing Notes are eligible to receive the relevant Exchange Consideration, as this is the last date and time for Eligible Holders of the Existing Notes to participate in the Exchange Offer.

Instruction Fee Deadline. See “Summary of the Exchange Offer – Instruction Fee” for further details.

With respect to any tendered Existing Notes, the tender by its Holder will not be considered valid unless and until the beneficial owner of such Existing Notes has also validly executed the Restructuring Support Agreement (or an accession to the Restructuring Support Agreement pursuant to the terms thereof) and delivered it to the Information, Exchange and Tabulation Agent.

As soon as practicable after
the Expiration Deadline

Announcement of the amount of tenders for exchange received prior to the Expiration Deadline and the final total aggregate principal amount of the New Notes to be issued to Eligible Holders in exchange for the Existing Notes validly tendered, accepted and exchanged.

The Information, Exchange and Tabulation Agent will also inform us on the beneficial owners who have executed the Restructuring Support Agreement.

Date	Event
On or about April 28, 2023	Settlement of the New Notes, delivery of the Exchange Consideration to Eligible Holders whose Existing Notes have been validly tendered and accepted for exchange.

On or about May 2, 2023. Listing of the New Notes on the SGX-ST.

All references in this announcement to times are to London time, unless we state otherwise. The above dates are indicative only.

Further Details

The Company has appointed China CITIC Bank International Limited as its dealer manager and Sidley Austin as its legal adviser. Furthermore, the Company has appointed Kroll Issuer Services Limited, as the Information, Exchange and Tabulation Agent with respect to the Exchange Offer (as stipulated in the Exchange Offer Memorandum and its respective related documents). The Exchange Offer Memorandum, this announcement and all documents related to the Exchange Offer can be found on the Exchange Website: <https://deals.is.kroll.com/youngo>.

Requests for copies of the Exchange Offer Memorandum and its related documents may be directed to Kroll Issuer Services Limited, at the address and telephone number as set forth below. The contact information of Kroll Issuer Services Limited, is set out as follows:

Kroll Issuer Services Limited

In London:

The Shard
32 London Bridge Street
London SE1 9SG
United Kingdom
Tel: +44 20 7704 0880

In Hong Kong:

3/F Three Pacific Place
1 Queen’s Road East
Admiralty
Hong Kong
Tel: +852 2281 0114

Attention: Mu-yen Lo/Illia Vyshenskyi
Email: youngo@is.kroll.com
Exchange Website: <https://deals.is.kroll.com/youngo>
RSA Accession Portal: <https://deals.is.kroll.com/youngo-rsa>

DEFINITIONS

Unless the context requires otherwise, terms used in this announcement shall have the following respective meanings:

“Clearstream”	Clearstream Banking S.A.;
“Company”	Guangdong – Hong Kong Greater Bay Area Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability and whose Shares are listed and traded on the Main Board of the Stock Exchange (stock code: 1396);
“Eligible Holders”	holders who are non-U.S. persons located outside the United States (as those terms are defined in Regulation S under the Securities Act) in exchange for their Existing Notes through Euroclear and Clearstream or certain fiduciaries holding accounts for the benefit of non-U.S. persons outside the United States (as those terms are defined in Regulation S under the Securities Act) with the Existing Notes held through Euroclear and Clearstream;
“Euroclear”	Euroclear Bank SA/NV;
“Exchange Offer”	the exchange offer made by the Company upon the terms and subject to the conditions set forth in the Exchange Offer Memorandum;
“Exchange Offer Memorandum”	the Exchange Offer Memorandum dated April 17, 2023 in relation to the Exchange Offer;
“Existing Notes”	the May 2023 Notes and the October 2023 Notes
“Existing Notes Indentures”	the indentures governing the Existing Notes;
“Group”	the Company and its subsidiaries from time to time;
“Holder(s)”	the holder of the Existing Notes;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“May 2023 Notes”	12.0% Senior Notes due May 2023 with an aggregate principal amount of US\$75,000,000. The ISIN and Common Code are XS2485447838 and 248544783, respectively, for the May 2023 Notes

“October 2023 Notes”	13.85% Senior Notes due October 2023 with an aggregate principal amount of US\$303,620,000. The ISIN and Common Code are XS2386427525 and 238642752, respectively, for the October 2023 Notes
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Taiwan and Macau;
“Regulation S”	Regulation S under the U.S. Securities Act;
“Restructuring Support Agreement”	the Restructuring Support Agreement set forth in Appendix A to the Exchange Offer Memorandum;
“Scheme”	scheme of arrangement in Hong Kong (and/or a scheme of arrangement in any other relevant jurisdiction at the sole discretion of the Company);
“Securities Act”	the United States Securities Act of 1933, as amended;
“Settlement Date”	on or about April 28, 2023, unless the Exchange Offer is extended or earlier terminated;
“SGX-ST”	Singapore Exchange Securities Trading Limited;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary Guarantors”	certain subsidiaries of the Company which provide unconditional and irrevocable guarantees to secure the Company’s obligations under the Existing Notes;
“U.S.” or “United States”	the United States of America;
“US\$”	United States dollars, the lawful currency of the United States; and
“%”	per cent.

By order of the Board
Guangdong – Hong Kong Greater Bay Area Holdings Limited
ZENG Yunshu
Chairman and Executive Director

Hong Kong, April 17, 2023

As at the date of this announcement, the executive directors of the Company are Mr. Zeng Yunshu, Mr. Wong Choi Hing, Mr. Cai Hongwen, Mr. He Fei and Ms. Wei Haiyan and the independent non-executive directors of the Company are Mr. Guan Huanfei and Mr. Han Qinchun.